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GSU Economic Forecasting Project Newsletter

School of Business Administration, Georgia State University, University Plaza, Atlanta, Georgia 30303
(404) 658-3282

Donald Ratajczak, Director

MONTHLY PROJECTIONS
FOR JUNE

JOB LOSSES IN PRIVATE NON-AGRICULTURAL ECONOMY APPROACH 1.3 MILLION

In May, household employment was 965,000 below February's peak. However, more than 200,000 additional employees conducting the census and a surprising 140,000 increase in agricultural employment prevented the decline from going above a million. If these special circumstances are eliminated, employment loss in the private non-agricultural sector already exceeds 1.3 million. This compares with a job loss of 1.9 million during the 1973-75 recession and about 2 million during the 1957-58 recession. Both in 1960 and 1970, job loss did not exceed a million. Thus, the recession already has reached the moderate range and is rapidly moving toward a moderately severe rating.

Since January, retail sales have fallen by the following monthly rates: 1.8%, 1.9%, 2.3% and 1.5%. This is the sharpest four month decline ever recorded in this series. Of course, inflation adjusted declines in retail sales were even worse. The savings rate now has retraced two-thirds of its decline between July and December of 1979. The index of hours worked is 9.3% at annual rates below first quarter levels. Thus, wage and salary earnings are declining even with an acceleration in the growth of the hourly earnings index. The collapse in construction expenditures has slowed to a 2.6% decline after adjustment for inflation in April. An improvement in hours worked in the construction industry during May suggests that the construction slump is approaching a bottom. On the other hand, prospects in the capital goods industries are deteriorating. Durable goods orders slumped 6.6% despite increases in aircraft orders. Shipments also fell sharply. Furthermore, the quarterly survey of capital expenditure anticipations revealed a decline in spending intentions from an 11.1% increase to a 9% increase. Furthermore, accelerating inflation in the capital equipment industry suggests that inflationary component may exceed anticipations in this sector.

Changes in GNP

	% Change 1980-1	% Change 1980-2	% Change 1980-3	% Change 1980-4	% Change 1981-1
Change in Real Output	+0.7	-9.3%	-2.9%	-0.8%	+1.0%
Price Deflator	9.3	10.0	9.8	10.2	9.2
Nominal GNP	+10.1	-0.2	+6.5	+9.5	+10.2

Monthly Highlights
May 1980

Personal income, +0.1%; personal outlays, -0.1%; industrial production, -1.5%; housing starts, -5.3%; housing permits, UNC.; construction expenditures, -0.7%; durables goods orders, -2.5%; nondefense capital goods orders, -3.3%; business inventories, +0.6%; CPI, +0.7%; merchandise trade balance, -$1.67 billion; leading indicators, -1.1%.

Monthly Highlights
June 1980

Payroll employment, -305,000; hours worked, -0.5%; unemployment rate, 7.9%; personal income, +0.2%, personal outlays, +0.5%, auto sales, 7.7 million; retail sales, UNC.; industrial production, -0.6%; housing starts, +3.4%; housing permits, +2.7%; construction expenditures, +0.6%; durable goods orders, -1.1%; nondefense capital goods orders, -2.4%; business inventories, +0.4%; CPI, +0.6%; PPI, +0.7%; agricultural prices, +0.9%; merchandise trade balance, -$2.5 billion; leading indicators, +0.2%; M1-B, +9.0%; M2, +8.6%.

COMMENTARY

Employment

Payroll employment fell only 180,000 in May, while April's estimates were revised upward 188,000. Most of this upward revision was caused by an initial undercounting of the number of temporary employees on the federal payrolls for the purpose of conducting the census. In May, 80,000 of these temporary jobs already had been eliminated. Thus, payroll employment in May was stronger than anticipated excluding census employment. It is unlikely, however, that the economy is stronger than originally expected. The index of hours worked actually declines more rapidly than had been anticipated. This suggests that further layoffs probably will be forthcoming in the next few months.

The reference week for the June labor force is early. Thus, a smaller than normal increase of teenagers into the labor force probably developed. This would lead to a sharp decline in teenage employment, but an even greater decline in the teenage labor force. Thus, the possibility of a slight decline in the unemployment rate exists for June.

The most discouraging part of the employment report was the fact that the hourly earnings index is 9% above previous year levels. Some of this acceleration may be caused by the layoff of lower wage recipients. However, wage acceleration also has occurred in service-related industries, where layoffs are not extensive. Thus, inflation could be more severe in 1981 than originally expected.

Personal Income and Outlays

Personal income in April was slightly above forecasted values, and the upward revision in payroll employment suggests that some upward revisions may develop for personal income. However, little growth in personal income is anticipated in the next few months.

Because of the collapse in consumer activity, it now appears that the personal savings rate will rise by more than two percentage points between December 1979 and January 1981. It is unlikely that credit controls were responsible for the abrupt change in savings behavior. Rather, this is a fundamental adjustment to eliminate the erosion of discretionary savings in households. Only if this savings correction is greater than two percentage points can one anticipate a rapid improvement in consumer activity following the end of this recession.

Retail Sales

Purchases of durables other than autos have slumped dramatically since January. Purchases of jewelry, household appliances, and furniture continue to decline in nominal terms. (The abrupt upward movement of prices for precious metals in recent weeks may turn the nominal values upward in June and July but should have little impact upon real values). May's slowing sales for nondurable goods was surprising given the favorable department store reports for the large retail chains. Of course, reduced inflationary pressures for food and gasoline have slowed the inflation rate in the nondurables category. Finally, the failure of auto sales to show any noticeable response to an aggresive rebate program suggest an early recovery in auto sales is not likely. However, large purchases of automobiles for fleets in October and November should provide a temporary gain in reported sales at that time. This, of course, does not affect consumer activity.

Housing

The collapse in multiple family starts to less that 400,000 in April reveals the rapid exodus of insurance support from the housing market. As insurance policy loans remain high, multiple family starts are expected to remain well below 500,000 for the remainder of this year. Although starts for single family units increased in April, and construction employment appeared to be favorable in May, the extremely low rates of sales (at a 366,000 unit level) suggest that starts should once again fall in May. On the other hand, the weakness in construction has virtually eliminated inflationary pressures in that sector. Indeed, the implicit price deflator fell by nearly a full percentage point in April.

Clearly, such reductions in construction inflation cannot be expected to continue.

Business Activity

Because of the erosion of sales, an inventory problem in the materials industries has developed. In April, manufacturing inventories increased 1.7% while manufacturing shipments declined. Of course, an upward trend in sales could eliminate the inventory problem. It is clear, however, that the materials industries are moving rapidly to eliminate excess inventories. This explains part of the reason for the sharp drop in orders for durable goods during the past few months.

Shipments of nondefense capital goods registered a surprising drop in April. As a result, producers' durables expenditures may show no gain in the second quarter from first quarter levels. Furthermore, defense shipments no longer are bounding upward. Thus, expenditures for defense goods will not be increasing by the same magnitude in the second quarter that it increased in the first quarter.

Prices

In April, prices rose more sharply than we expected. The PPI elements for May rose sufficiently less than expected to wash out the overestimates in April. This is what should occur in a sample that only approximates price performance. Nevertheless, because we estimate that mortgage activity would be registered as a declining influence on the CPI sooner than will be the case, consumer prices in the second quarter now are expected to rise more rapidly than contained in the forecast.

We also discovered that our adjustment procedure for the IVA was slightly off time. As a result, second quarter decreases in the inventory valuations adjustment are not expected to be significant.

Agricultural prices are below anticipations because of a dramatic increase in the slaughter of hogs. While this heavy slaughter has increased the supply of meat in the past few weeks, a significant number of producers probably are leaving the business. As a result, we anticipate that agricultural prices will move more sharply higher in the fall than previously had been expected.

Miscellaneous

Despite a rise in stock market prices, the leading indicators probably will decline again in May. Already, the workweek and the four-month weighted trend of sensitive prices are pointing downward. The money and liquidity measures also appear to be declining. Layoff rates almost certainly did not rise significantly from their April levels, but vendor performance appears to be even more negative than in earlier months. Thus, at least five of the components of the leading indicators are declining while only one, stock prices, definitely is rising.

Because of the continued dramatic erosion of consumer activity, it now appears that nominal GNP declined in the second quarter. The most dramatic decline was in April, when real GNP declined at more than a 13% annual rate. However, declines appear to remain in the double-digit range in May. According to our estimates, activity already has decline 3.2% between January and May. Those economists still looking for a less than average peak to trough decline in real GNP have not been aware of the enormity of the recent collapse.

Financial Markets

Interest rates on treasury bills continued to decline dramatically into June, but other short term interest rates showed resistance to further decline. Rates on commercial paper and certificates of deposit appeared to pause near the 8% level. The Federal Reserve appears to desire a trading range for the federal funds rate that is no lower than 9% nor higher than 10.5%. Of course, since this range is somewhat higher than prevailing market interest rates, the effect has been to completely nullify the stimulative impact upon money growth from changes in reserve requirements. While money growth showed some positive movement folliwing a sharp decline in April, monetary aggregates remain below February or March peaks. Only the monetary base continues to move forward at a rapid pace. However, speculation in currency markets and the obvious reduction in the use of credit cards has led to a significant increase in the use of currency. Most of the monetary base at the present time is being exhausted by currency holders.

The reason for Federal Reserve resistance to lower interest rates at this time is unclear. The dollar has weakened considerably since interest rates began to fall, but the domestic economy also has been very weak. Federal reserve action to stimulate money growth normally would be anticipated under these circumstances. Furthermore, all previous OPEC price increases have led to a strengthening of the dollar. Although the current OPEC pricing decision is very modest and ambiguous, the dollar should show moderate signs of strengthening in the next few weeks. Under these circumstances, one would anticipate that further Federal Reserve encouragement of declining interest rates would develop.

On the other hand, fiscal policy will move into a temporary stimulative mode in July because of significant social security disbursements. This stimulus is expected to provide a temporary brake upon the decline in consumer activity. At the same time some increase in commodity speculation during the period of dollar weakness has led to a higher anticipations of inflationary pressures than previously appeared likely. Thus, some upward movement in both short and long term interest rates may develop during the summer. Then renewed consumer weakness along with the developing weakness in capital goods activity during the fall should lead to a second downward movement of interest rates.

Stock Market

At best the current stock market rally is premature. It is still possible that investors are ignoring the obvious erosion of earnings resulting from the substantial decline in economic activity during the spring and are continuing to become encouraged by falling interest rates. A second factor is the shift in

perceptions of risk between investments in bonds and stocks. Tremendous volatility in the bond market early this year has reduced the predictability of earnings in that market. Thus, the stock market may be reflecting a dramatic shift in the risk-reward perceptions of various investment instruments. If this is the case, the current valuations of equities may be justified. On the other hand, the normal cyclical rally of the stock market will occur in the future.

What is especially troubling about the performance of equity values at this time is that the stock market is the only leading indicator showing an upward trend. In previous stock market moves, if equity values moved in a direction oppositve from the other components of the leading indicators, a sharp reversal of equity prices soon developed. Thus, some risk must be presumed to exist in equity investment at this time.

EMPLOYMENT

	Payroll Employment		Index of Hours Worked		Household Employment		Unemployment Rate		Hourly Earnings Index	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
Jan. 1980	90652	90652	127.1	127.1	97804	97804	6.2	6.2	240.5	240.5
February	90845	90845	126.8	126.7	97953	97953	6.0	6.0	242.6	242.6
March	90799	90819	126.1	126.0	97656	97656	6.2	6.2	245.1	245.3
April	90320	90508	124.5	124.5	97154	97154	7.0	7.0	245.6	246.4
May	90047	90328	124.4	123.6	96893	96988	7.5	7.8	247.8	247.9
June	89774	90023	124.3	123.0	96632	96726	7.5	7.9	249.8	250.0
July	89808	89847	124.2	122.5	96743	96635	7.6	8.1	251.1	251.3
August	89830	89762	124.1	122.1	96854	96597	7.7	8.3	252.4	252.8
September	89840	89732	124.1	122.1	96925	96743	7.8	8.4	254.1	254.5
October	89855	89749	124.1	122.2	96983	96794	7.9	8.5	255.8	256.0
November	89866	89801	124.1	122.2	97018	96856	8.1	8.7	257.2	257.7
December	89935	89765	124.3	122.1	97121	96891	8.3	8.8	258.9	259.8
January	90009	89943	124.4	122.5	97234	97016	8.3	8.8	260.5	261.3
February	90103	90087	124.6	122.6	97332	97163	8.3	8.9	262.4	263.2
March	90196	90107	124.8	122.8	97425	97202	8.2	9.0	263.9	265.5
Apr. 1981	90285	90241	125.0	123.2	97553	97296	8.3	9.1	265.5	266.9

PERSONAL INCOME

	Personal Income		Wage & Salary		Personal Savings		Disposable Income		Personal Outlays	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
Jan. 1980	2.047	2.047	1.293	1.293	59.0	59.0	1.728	1.728	1.669	1.669
February	2.054	2.056	1.301	1.304	58.0	64.1	1.735	1.735	1.677	1.670
March	2.069	2.070	1.310	1.313	59.8	66.6	1.747	1.746	1.687	1.680
April	2.067	2.070	1.303	1.306	62.4	77.1	1.746	1.747	1.683	1.670
May	2.075	2.073	1.307	1.303	58.6	81.4	1.750	1.751	1.692	1.669
June	2.082	2.078	1.312	1.303	53.8	75.9	1.754	1.754	1.701	1.677
July	2.115	2.105	1.320	1.307	77.1	85.2	1.788	1.779	1.711	1.694
August	2.133	2.120	1.327	1.312	78.7	86.7	1.789	1.791	1.719	1.704
September	2.150	2.137	1.335	1.320	80.3	89.3	1.807	1.804	1.727	1.714
October	2.169	2.159	1.350	1.334	80.6	91.1	1.822	1.822	1.742	1.731
November	2.185	2.176	1.358	1.344	79.7	92.6	1.837	1.836	1.757	1.743
December	2.202	2.188	1.365	1.350	81.3	87.0	1.850	1.846	1.769	1.759
January	2.212	2.202	1.377	1.364	84.6	104.2	1.867	1.870	1.782	1.766
February	2.229	2.216	1.387	1.373	87.2	104.5	1.881	1.881	1.794	1.777
March	2.247	2.238	1.398	1.388	89.4	106.8	1.895	1.898	1.806	1.792
Apr. 1981	2.265	2.257	1.409	1.400	83.6	108.8	1.907	1.912	1.823	1.803

Fore. = May Forecast
C. E. = Current Expectations

RETAIL SALES

	Retail Sales		Non Auto Durables		Auto (Million Units)		Nondurable Sales		Auto Sales	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
Jan. 1980	79.46	79.46	11.58	11.58	11.6	11.6	52.20	52.20	15.69	15.69
February	78.21	77.99	11.44	11.32	10.5	10.5	51.63	51.62	15.15	15.05
March	77.22	76.53	11.51	10.81	10.1	10.1	51.67	52.24	14.05	13.49
April	76.25	74.77	11.48	10.44	8.3	8.3	51.83	52.07	12.94	12.26
May	75.84	73.66	11.49	10.29	7.8	7.5	52.50	51.94	11.85	11.43
June	76.68	73.68	11.48	10.36	8.2	7.7	53.13	52.16	12.07	11.16
July	76.37	74.49	11.37	10.56	7.8	7.8	53.15	52.66	11.85	11.27
August	76.54	74.69	11.36	10.70	7.7	7.7	53.22	53.09	11.96	10.90
September	76.77	75.15	11.35	10.76	7.9	7.8	53.33	53.41	12.09	10.98
October	77.51	76.30	11.35	10.79	8.0	8.7	53.89	53.78	12.28	11.73
November	78.22	76.78	11.42	10.77	8.0	8.4	54.49	54.46	12.31	11.55
December	79.03	77.85	11.42	11.05	7.8	8.4	55.16	55.01	12.45	11.79
January	79.27	77.81	11.46	11.21	7.8	7.9	55.35	55.42	12.46	11.18
February	79.56	78.09	11.48	11.33	7.8	8.0	55.56	55.31	12.52	11.45
March	79.95	79.07	11.49	11.38	7.9	8.2	55.78	55.68	12.68	12.01
Apr. 1981	80.96	79.34	11.54	11.38	8.2	8.1	56.05	56.03	13.37	11.93

INDUSTRIAL PRODUCTION

	Industrial Production		Capacity Utilization	
	Fore.	C. E.	Fore.	C. E.
Jan. 1980	152.7	152.6	84.1	84.1
February	152.4	152.3	83.9	83.8
March	151.2	152.3	83.0	83.0
April	149.1	148.5	81.6	81.0
May	147.9	146.8	80.6	79.7
June	146.7	145.9	79.6	79.0
July	146.4	145.3	79.1	78.5
August	146.2	144.5	78.7	77.9
September	146.2	143.9	78.5	77.3
October	146.5	143.6	78.4	76.9
November	146.8	143.3	78.3	76.5
December	147.1	143.0	78.2	76.0
January	147.7	143.5	78.2	76.1
February	148.3	143.5	78.3	75.9
March	149.0	143.6	78.4	75.7
Apr. 1981	149.6	144.1	78.6	75.8

Fore. = May Forecast
C. E. = Current Expectations

HOUSING

	Housing Starts		Single Family Starts		Housing Permits		Construction Expenditures (Current)		Construction Expenditures (Real)	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
Jan. 1980	1.419	1.419	1.002	1.002	1.264	1.264	250.0	250.0	120.4	120.4
February	1.332	1.330	0.789	0.786	1.142	1.142	243.1	243.1	115.9	115.9
March	1.041	1.041	0.606	0.615	0.941	0.932	229.0	229.9	109.5	109.8
April	0.959	1.019	0.543	0.625	0.812	0.800	222.8	221.7	105.6	106.9
May	0.930	0.965	0.495	0.580	0.783	0.803	217.5	220.1	102.3	105.3
June	0.913	0.998	0.468	0.613	0.769	0.825	215.9	221.4	100.7	105.0
July	0.978	1.018	0.539	0.617	0.812	0.846	214.2	222.7	99.2	104.9
August	1.099	1.064	0.620	0.643	0.915	0.907	215.5	224.1	99.1	104.7
September	1.127	1.149	0.649	0.706	0.973	0.991	217.8	225.9	99.4	104.7
October	1.186	1.208	0.702	0.746	1.013	1.035	222.3	232.1	100.6	106.7
November	1.215	1.201	0.734	0.733	1.005	1.042	227.9	234.2	102.3	106.8
December	1.306	1.313	0.789	0.844	1.127	1.146	232.6	238.3	103.6	107.7
January	1.397	1.361	0.883	0.879	1.221	1.207	237.4	243.1	104.8	109.0
February	1.495	1.455	0.971	0.959	1.336	1.309	243.1	245.5	106.4	109.1
March	1.582	1.526	1.018	1.026	1.443	1.346	246.9	246.7	107.1	108.7
Apr. 1981	1.632	1.558	1.102	1.052	1.506	1.393	250.9	251.7	107.9	110.0

HOUSING CONTINUED

	Private Non Residential		Public Construction		Residential Construction	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
Jan. 1980	90.9	90.9	59.4	59.4	99.7	99.7
February	89.0	89.0	56.4	56.3	97.7	97.7
March	85.8	86.3	52.6	53.7	89.7	89.8
April	86.5	86.3	53.8	52.3	82.5	83.1
May	86.5	88.6	54.7	53.9	76.3	77.6
June	87.2	89.3	54.7	54.6	74.0	77.3
July	87.7	90.6	54.6	55.1	71.9	77.0
August	88.2	90.2	54.9	55.0	72.4	78.9
September	88.6	89.4	55.3	54.5	73.9	82.0
October	89.0	92.3	55.7	54.2	77.6	85.6
November	89.5	91.6	56.0	54.7	82.4	87.9
December	89.7	93.0	56.5	55.0	86.4	90.3
January	90.1	94.3	57.1	56.6	90.2	92.2
February	90.8	93.1	57.7	56.0	94.6	96.4
March	91.2	91.7	58.0	56.5	97.7	98.5
Apr. 1981	92.0	92.6	58.4	56.9	100.5	102.2

Fore. = May Forecast
C. E. = Current Expectations

BUSINESS ACTIVITY

	Manufacturers Inventories		Durable Goods Orders		Non-defense Capital Goods Orders		Non-defense Capital Shipments	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
Jan. 1980	232.0	232.3	82.03	81.46	23.78	23.85	21.02	20.88
February	234.8	235.1	81.88	81.02	22.09	21.48	21.51	21.40
March	238.1	238.5	79.14	77.54	23.47	22.59	21.82	21.35
April	240.3	242.6	77.53	72.45	22.39	22.18	22.09	20.56
May	241.5	244.3	75.26	70.66	21.95	21.45	21.22	21.00
June	242.3	245.6	73.01	69.91	70.65	20.93	20.67	20.64
July	244.7	247.2	74.47	70.98	21.42	21.62	21.03	21.25
August	246.5	248.3	75.51	72.38	21.89	22.14	21.48	21.85
September	248.2	249.2	77.06	74.43	22.55	22.56	21.85	21.82
October	250.3	250.2	76.82	76.52	22.46	21.76	21.72	21.84
November	252.4	251.5	77.43	75.93	22.75	21.55	21.85	21.32
December	254.0	252.6	79.02	76.85	23.01	23.06	21.95	21.88
January	255.6	254.1	79.92	77.94	23.43	22.96	22.02	22.19
February	256.9	255.7	79.15	78.02	23.21	22.58	22.13	22.09
March	258.1	257.3	80.05	78.41	23.62	22.18	22.25	22.10
Apr. 1981	260.3	258.5	81.18	80.03	23.95	23.01	22.39	21.75

	Business Inventories		Defense Shipments	
	Fore.	C. E.	Fore.	C. E.
Jan. 1980	431.5	431.5	3.19	3.08
February	434.8	435.1	3.24	3.25
March	440.3	437.6	3.30	3.39
April	442.3	442.8	3.43	3.26
May	444.7	445.5	3.38	3.31
June	446.4	447.1	3.35	3.39
July	450.1	449.0	3.40	3.43
August	452.9	451.7	3.45	3.42
September	456.0	453.3	3.49	3.48
October	458.7	455.2	3.54	3.55
November	461.3	457.4	3.60	3.59
December	464.7	459.5	3.66	3.59
January	467.1	461.4	3.70	3.62
February	469.7	463.7	3.73	3.69
March	472.2	466.0	3.77	3.75
Apr. 1981	475.6	467.7	3.82	3.73

Fore. = May Forecast
C. E. = Current Expectations

PRICES

	CPI (unadjusted)		PPI Finished Goods		PPI-Industrial Commodities (unadjusted)		Agricultural Prices (unadjusted)		IVA Corp. (annual rate)	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
Jan. 1980	233.2	233.2	232.1	232.4	260.3	260.6	236	236	62.2	60.1
February	236.4	236.4	235.4	235.4	265.4	265.4	238	238	74.5	64.1
March	239.8	239.8	238.2	238.2	268.2	268.2	234	234	68.1	78.0
April	242.0	242.5	239.4	240.0	269.5	270.7	225	224	49.2	83.8
May	243.7	244.2	241.1	241.0	271.9	271.2	228	226	30.1	73.7
June	245.3	245.7	243.3	242.7	274.3	272.8	232	228	23.1	51.8
July	247.5	247.7	245.7	244.9	277.1	275.4	236	233	29.2	33.3
August	249.6	249.9	247.9	247.3	279.6	279.1	240	236	33.4	32.4
September	251.4	251.9	249.8	249.8	282.2	282.3	239	240	44.8	38.1
October	253.5	254.0	252.0	252.2	285.3	286.8	237	240	45.3	49.4
November	255.6	255.9	254.0	254.5	288.4	288.4	241	245	44.1	45.9
December	257.7	257.8	256.2	256.5	291.1	290.1	245	250	42.3	53.5
January	259.8	259.9	258.3	258.7	293.2	293.6	250	256	37.2	45.3
February	261.9	261.5	260.5	260.2	294.6	294.3	253	253	34.2	39.4
March	264.0	263.5	262.7	262.1	296.1	295.7	252	255	37.4	35.3
Apr. 1981	266.1	265.3	264.8	264.0	298.5	298.6	255	259	38.9	32.2

MISCELLANEOUS

	Merchandise Trade Balance		Leading Indicators		Estimated GNP		Estimated GNP (1972 $)		Estimated GNP Deflator	
	Fore.	C. E.	Fore	C. E.	Fore	C. E.	Fore	C. E.	Fore.	C. E.
Jan. 1980	-3597	-3597	135.2	135.9	2514	2514	1452	1452	1.7309	1.7316
February	-4407	-4407	134.8	135.4	2520	2512	1444	1441	1.7451	1.7435
March	-2080	-2073	131.3	132.6	2527	2524	1436	1436	1.7593	1.7575
April	-2675	-840	129.2	126.3	2514	2517	1420	1419	1.7699	1.7737
May	-2908	-1665	127.7	124.9	2520	2511	1416	1406	1.7800	1.7855
June	-3242	-2047	126.5	125.1	2526	2518	1410	1399	1.7917	1.7994
July	-2965	-2972	126.8	125.6	2543	2534	1409	1397	1.8048	1.8135
August	-2802	-3145	127.1	127.3	2560	2560	1409	1400	1.8175	1.8291
September	-2775	-2795	126.6	126.7	2578	2572	1408	1396	1.8311	1.8429
October	-2695	-2667	127.3	126.1	2593	2596	1402	1395	1.8494	1.8605
November	-2638	-2655	127.5	127.8	2608	2614	1405	1396	1.8557	1.8721
December	-2543	-2608	126.6	129.1	2632	2632	1407	1394	1.8701	1.8877
January	-2453	-2773	127.1	131.1	2655	2653	1409	1396	1.8839	1.9007
February	-2379	-2661	127.8	132.0	2687	2678	1414	1399	1.9009	1.9146
March	-2295	-2599	128.9	131.3	2715	2703	1418	1400	1.9146	1.9303
Apr. 1981	-2162	-2731	129.9	132.0	2743	2715	1422	1397	1.9288	1.9431

FINANCIAL MARKETS

	Monetary Base		M1-B		M2		Federal Funds		T-Bills (6 Mos.)	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
Jan. 1980	154.9	154.9	389.1	389.0	1532.8	1532.8	13.82	13.82	11.84	11.84
February	156.1	156.1	392.9	392.9	1546.6	1546.2	14.13	14.13	12.86	12.86
March	157.0	157.0	392.3	392.3	1550.9	1550.2	17.19	17.19	15.03	15.03
April	157.4	157.4	389.7	387.5	1550.7	1546.8	18.59	18.59	13.62	13.62
May	158.0	158.0	389.5	387.8	1551.2	1550.9	10.41	11.82	9.38	9.15
June	158.6	158.9	391.1	390.3	1554.1	1556.1	8.68	8.97	8.35	7.16
July	159.4	159.7	394.3	393.9	1568.9	1565.3	9.11	9.46	8.89	7.65
August	160.3	160.5	396.8	395.4	1587.7	1580.0	9.65	9.91	9.16	8.12
September	161.1	161.1	398.9	397.6	1599.4	1591.3	9.85	9.42	9.41	7.63
October	161.9	161.9	401.4	400.2	1613.6	1608.4	9.43	9.12	9.12	7.41
November	162.7	162.7	404.7	402.9	1627.1	1621.1	9.08	8.78	9.03	7.29
December	163.6	163.6	406.8	405.3	1641.1	1634.3	8.76	8.52	8.92	6.89
January	164.4	164.4	408.5	407.8	1656.8	1650.2	8.15	8.12	8.67	6.77
February	165.3	165.3	410.2	409.9	1669.3	1663.1	8.42	7.96	8.46	7.03
March	166.2	166.2	411.9	411.7	1681.2	1676.5	8.82	8.10	8.50	7.18
Apr. 1981	167.0	167.0	413.3	413.4	1694.1	1688.9	8.79	8.46	8.36	7.42

	Aaa (Seasoned)		Municipals		Commercial Paper		90 Day CD'S		Prime Rate	
	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.	Fore.	C. E.
Jan. 1980	11.09	11.09	7.35	7.35	13.04	13.04	13.39	13.39	15.25	15.25
February	12.38	12.38	8.16	8.16	13.78	13.78	14.30	14.30	15.63	15.63
March	12.96	12.96	9.17	9.17	16.81	16.81	17.57	17.57	18.31	18.31
April	12.22	12.04	8.63	8.63	17.43	16.20	18.09	16.78	19.27	19.77
May	10.27	11.04	7.19	7.59	9.76	9.73	9.97	10.13	15.73	17.20
June	9.34	10.95	6.54	7.76	8.46	8.15	8.69	8.55	12.49	13.15
July	9.78	11.16	6.75	7.81	9.23	8.66	9.55	8.97	11.89	11.79
August	10.15	11.39	6.81	7.92	9.79	9.05	10.11	9.37	11.75	11.50
September	10.29	11.01	7.10	7.60	10.02	9.01	10.35	9.15	11.75	11.50
October	10.15	10.82	7.00	7.36	9.37	8.51	9.52	8.92	11.55	11.33
November	10.01	10.41	6.86	7.03	8.86	8.32	9.14	8.69	11.36	10.95
December	9.97	10.16	6.78	6.83	8.55	8.07	8.73	8.43	10.92	10.67
January	9.82	9.97	6.68	6.78	7.96	7.67	8.16	7.92	10.63	10.42
February	9.59	9.91	6.47	6.69	8.55	7.48	8.96	7.79	10.50	10.29
March	9.55	9.85	6.49	6.55	9.03	7.79	9.37	7.99	10.50	10.00
Apr. 1981	9.41	9.93	6/43	6.60	9.01	7.96	9.26	8.31	10.50	10.00